



CHS Inc. 395 164th Street,
PO Box 894
South Sioux City, NE 68776
402-404-8500

February 17, 2017

Desiree McCaslen
Pretreatment Manager
City of Sioux City, IA
3100 South Lewis Blvd
Sioux City, IA 51106

Dear Ms. McCaslen:

Thank-you for the time on the phone on February 15th. We have not yet received the certified letter that you referenced in your February 10th email, but would like to move forward with scheduling a meeting with you and your team to further understand the concerns that you have related to CHS wastewater discharge that eventually flows through Big Ox to the City of Sioux City's POTW Treatment Plant.

The following is a proposed agenda for our first meeting:

- Discussion of the immediate corrective actions we have taken in response to your concerns
- Discussion of our plans for a short term solution to the transition from your POTW to providing materials to Big Ox
- Discussion of a long term solution to the issues stated in your NOV.
- A review of the data requested as part of the NOV for the months of November 2016, December 2016 and January of 2017, which we will be able to supply prior to a first meeting. Also, as noted below, we believe it is premature to discuss any monetary settlement of issues raised in NOV until all data is reviewed.

I respectfully ask for an extension to provide the balance of the data requested (January 2016-October 2016). The system that we use to monitor and record data for the wastewater system has been modified several times in the last 14 months as we completed a reprogramming and controls project throughout the entire facility. While the information is stored within our system, extracting that data in a meaningful format for your review has proven somewhat difficult due to the programming changes. CHS has engaged Corporate IT resources and hired outside resources to assist in creating a process to extract this data in an accurate, meaningful manner. Based on the progress made thus far, it could take until March 15th to provide the balance of the information.

As alluded to above, we are of the opinion that discussion of penalties associated with the Notice of Violation you have provided would be premature at our next meeting and should wait until both parties have reviewed all the data you seek. It does not make sense to talk about settling the issues raised in the NOV for current data and then beginning again with issues raised in previous data. Please let me know if you differ in your opinion, as otherwise we do not intend to include a discussion of penalties at our next meeting.

I would like to include Eric Colvin, EHS Manager at CHS Corporate, Jeremy MacClure, Plant Engineer, Scott Duncan, EHS Coordinator-SSC, and our 3rd party wastewater consultant in our meeting. March 2 at 9 am works for those parties I would like to attend. Could this date and time work for you? Please let me know if



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you would like to hold this meeting at CHS or if you would prefer to host the meeting. Either location works for CHS.

I had requested a copy of the sample data collected for the CHS facility during the time period of January 1, 2016 through January 31, 2017 in a previous letter responding to the concerns addressed at the February 2 meeting held at CHS-SSC. Could you provide an update as to the status of that request?

Thank you for taking the time to work with us during this period of transition from CHS discharging to your POTW to working with Big Ox to provide materials for its operations.

Sincerely,

A handwritten signature in dark ink, appearing to read "Chris Oehler", with a long, sweeping horizontal line extending to the right.

Chris Oehler
Plant Manager- CHS

CC:
William Minor
Eric Larson
Mark Jundt